

CHAPTER FOUR: RESEARCH RESULT

This chapter shall provide the results of the analysis on the raw data collected through the questionnaire survey form.

A total of 150 questionnaires were dispatched, 74 completed questionnaires were returned. Two questionnaires were not valid to be used in the analysis due to incompleteness of the answers. A total of 72 usable questionnaires were coded and analysed in the Statistical Package for Social Sciences (SPSS) software.

Percentage distribution was used to elaborate the profile of the respondents. Internality of the respondents was determined by computing the mean value of the samples. 95% level of confidence is adopted to determine the significance of the analysis varians.

4.1 Summary Statistics of Respondents

Frequency analysis was done on the data to study the profile of the respondents with respect to demographics. The following subtitle provides the explanation on the outcome of the frequency on the selected items.

4.1.1 Gender

Table 4.1.1 Gender Profile

Gender	Frequency	Percentage
Male	63	87.5
Female	9	12.5
Total	72	100

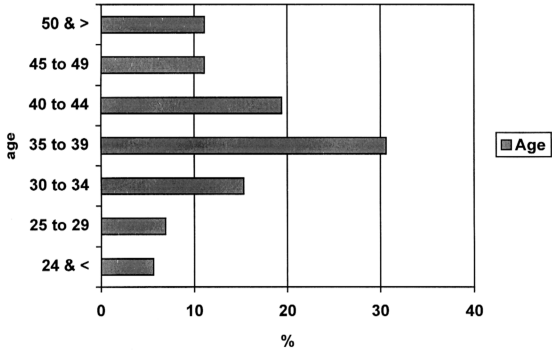
Frequency analysis on the gender shows that most of the respondents were male and the female constituted only 12.5 %.

4.1.2 Age

Table 4.1.2 Age Profile

Age Group	Frequency	Percentage
24 years and younger	4	5.6
25 to 29 years	5	6.9
30 to 34 years	11	15.3
35 to 39 years	22	30.6
40 to 44 years	14	19.4
45 to 49 years	8	11.1
50 years and older	8	11.1
Total	72	100

Figure 4.1.2 Age Profile



The survey indicates that most of the respondents are within the age range from 35 to 39 years old. This group comprises 45.9 % of the respondents. It follows by group with the age range of early 30's and early 40's. When

combined, both these groups comprised 34.7 %. Respondents with the age below 30's and above mid 40's constitute 34.7%.

4.1.3 Marital Status

Table 4.1.3 Marital Status Profile

Marital Status	Frequency	Percentage
Single	14	19.4
Married with children	49	68.1
Married without children	8	11.1
Divorced/ Widow	1	1.4
Total	72	100

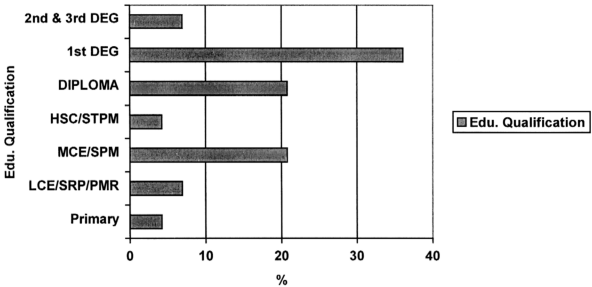
Most of the respondents are married with children. Those not married comprises the second largest group of the respondents. This is inline with the frequency of the age group where most of the respondents are in their late 30's and early 40's who are generally expected to be married and to have children.

4.1.4 Highest Educational Qualification

Table 4.1.4 Educational Qualification

Highest Educational Qualification	Frequency	Percentage
Primary Education	3	4.2
LCE/ SRP/ PMR	5	6.9
MCE/ SPM	15	20.8
HSC/ STPM	3	4.2
DIPLOMA	15	20.8
BACHELOR'S DEGREE	26	36.1
MASTER'S/ Ph. D	5	6.9
Total	72	100

Figure 4.1.4 Educational Qualification



About 36% of the respondents have at least a bachelor's degree qualification. The respondents with HSC/STPM qualification are very small. The result is expected because SPM leavers normally do not pursue STPM unless they intend to pursue tertiary education such as diploma or degree. This explains the high percentage of the respondents with SPM and diploma qualification.

The statistics shows that there is a tendency for graduates to be self employed rather than a wage earner for the rest of their lives. This is a positive trend for the Indian community overall. Generally, professional entrepreneurs will be able to engage in more international trade and foreign direct investment activities. Furthermore, language and financial record will not be a barrier in applying for financial assistance as well as to explore entrepreneurship.

4.2 Respondents Business Profile

4.2.1 Years of Non-Entrepreneurial Working Experience

Table 4.2.1 Years of Non-Entrepreneurial Working Experience

Years of Non- Entrepreneurial Working Experience	Frequency	Percentage
No working experience	10	13.9
2 years or less	7	9.7
3 to 5 years	24	33.3
6 to 10 years	19	26.4
11 to 15 years	7	9.7
16 to 20 years	2	2.8
21 years and more	3	4.2

4.2.2 Business Tenure

Table 4.2.2 Years of Entrepreneurship

Years of Entrepreneurship	Frequency	Percentage
4 years and less	29	40.3
5 to 9 years	23	31.9
10 to 14 years	8	11.1
15 to 19 years	1	1.4
20 to 24 years	8	11.4
25 to 29 years	1	1.4
30 years and more	2	2.8

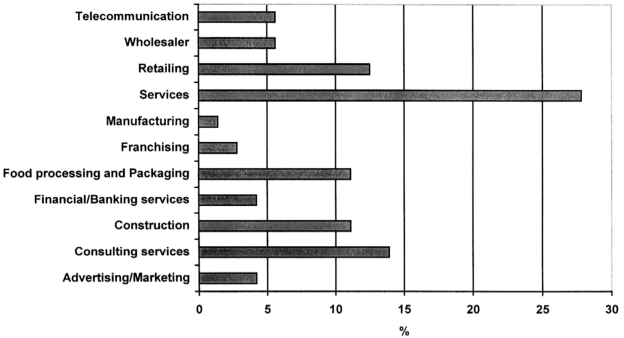
40.3% of the respondents are self-employed for less than 5 years. This group is in the period of test and trial to become successful entrepreneurs. This group would have been working for 3 to 10 years. This is concluded because table 4.2.1 indicates that group of years of non-entrepreneurial working experience for the year range 3 to 10 years is approximately 50%. There is possibility this group comprises of the entrepreneurship category of 9 years and below. Most of those who are never employed would have been in the business for very long period such as 20 years and above.

4.2.3 Industry Sector

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Industry Sector	Frequency	Percentage
Advertising / Marketing services	3	4.2
Consulting services (technical / management)	10	13.9
Construction (building / infrastructure)	8	11.1
Financial and Banking services	3	4.2
Food processing and Packaging	8	11.1
Franchising	2	2.8
Manufacturing	1	1.4
Services	20	27.8
Retailing	9	12.5
Wholesaler	4	5.6
Telecommunication	4	5.6
Total	72	100

Figure 4.2.3 Profile of Industries



A majority of the respondents are concentrated in the service industry (restaurant), consultancy services, retailing, food processing / packaging and construction. Indians are skillful in food industry and participate actively in retailing due to small capital requirement. The educated normally prefer to work in consultancy services and this explains the high percentage of participation in this sector

Advertising/ marketing, franchising, manufacturing and telecommunication sectors consist very small participants of Indian entrepreneurs. Basically, these sectors are monopolised by the Chinese community. It is very interesting to observe that the Indian entrepreneurs are willing to accept paradigm shifts, bravely venturing into non-traditional business sectors.

4.2.4 Application of Technology and Innovation

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Technology and Innovation Application	Frequency	Percentage
None	22	30.6
50% and less	36	50.0
50% to 75%	10	13.9
75% and above	4	5.9
Total	72	100

30.6% of the respondents confirmed that technology and innovation is not applied in the business. The retailing and food restaurant may contribute this portion. However, 50% of the respondents use personal computer in their business in order to be competitive in the market. For instance, consultants, advertising, marketing and telecommunication sectors uses e-mail and Internet for communication, attract customers as well as provide service to their clients.

4.2.5 Strategic and Organizational Development Plan

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	Frequency	Percentage
None	12	16.9
1 year and less	21	29.6
2 to 4 years	25	35.2
5 years and above	13	18.3
Total	71	100

Only 16.9% of the respondents do not have strategic and organizational development plans for the business. The statistic also indicates that 29.6% of the respondents' do strategy and development plan for 1 year or less. Restaurant and bookshops normally fall under this group based on my interview with the respondents. 35.2% of the respondents do strategic and

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75% and above	4	5.9
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organizational development plans for the business for 2 to 4 years. Meanwhile 18.3 % of the respondents plan for 5 years and more.

4.3 Reliability Test

Table 4.3.1 Internal Reliability Coefficients of the Scale

Scale	# of items	Alpha scores
Locus of control	29	0.7291
Entrepreneurial Performance	10	0.7170

The reliability test based on Cronbach coefficient alpha method provided alpha scores above 0.5 as shown in table 4.3.1. This indicates that the research instrument is reliable. The reliability test was conducted on 29 items of the locus of control and 10 items of the entrepreneurial performance scale considering initial and current situation of capital, number of employees, annual sales, net profit margin as percentage of sales and gross profit margin as percentage of sales.

4.4 Locus of Control

In order to determine the extent of internality of the Indian business owner, mean value of the locus of control was computed. The table below provides the statistics.

Table 4.4.1 Locus of Control Statistics

N	Mean	Median	Min	Max
72	7.7917	8.0000	0.00	16.00

The respondent is considered internally orientated if the total score for locus of control measures is less than 7.7917. Externally orientated respondents shall have total locus of control score of above 7.7917.

Table 4.4.2 Locus of Control orientation of Indian Business Owner

Locus of control	Frequency	Percentage
Internal	35	48.6
External	37	51.4
Total	72	100

Hypothesis 1: There is no significant difference in the orientation of the locus of control among Indian business owners

The study shows that the subjects are almost evenly distributed between the internal and external locus of control. The outcome of the statistics shows that there are almost equal numbers of business owners who believe that they can directly influence the events in their lives. They also recognize that experiences are related and accept responsibility for events. The other half of the respondents blame their environment for failures because they believe outcomes are not related to their actions.

A study conducted by Rajeswary (1998) on the Indian students' locus of control derived the same findings. The survey shows 57% of students are internally orientated and 43% students are externally orientated and concluded that there is no difference in the orientation of locus of control.

4.5 Successful Entrepreneur

In the measurement of successful entrepreneur, tenure of business measured on the Indian business owners.

Hypothesis 2: Entrepreneurs with more years of entrepreneurship are more internally orientated locus of control.

Table 4.5.1 Locus of Control by Years of Entrepreneurship

	Internal	External
4 years and less	48.3 %	51.7 %
5 years and more	48.8 %	51.2 %

Note: Chi-square = 0.002
D.F = 1
P = 0.963

As table 4.5.1 (Chi-square value = 0.002, *p*value = 0.963) reveals, the results of the survey indicate that there is no statistical relationship between locus of control and the years of entrepreneurship by Indian business owners. 51.2% of the respondents who have 5 years and more business experience are externally orientated. The findings do not lend support to Hypothesis 2- entrepreneurs with more years of entrepreneurship are more internally orientated locus of control.

4.6 Entrepreneurial Performance

Entrepreneurial performance of Indian business owners was measured using five performance indicators. Five performance indicators namely capital, annual sales, number of employees, net profit margin as a percentage of sales and gross profit margin as a percentage of sales.

Changes in each performance indicators shall be cross tabulated with locus of control variable to study the relationships.

Hypothesis 3 – Entrepreneurs with internally orientated locus of control is positively related to venture growth

4.6.1 Locus of Control and Annual Sales Changes

Table 4.6.1 Locus of Control by Annual Sales Changes

Changes in Annual Sales	Internal	External
Decline in Annual Sales	-	2 (5.4 %)
No changes in Annual Sales	9 (25.7 %)	13 (35.1 %)
Increase in Annual Sales	26 (74.3 %)	22 (59.5 %)

Note: Chi-square = 3.007

D.F = 2

P = 0.222

Table 4.6.1 (Chi-square value = 3.007, pvalue = 0.222) suggests that there is no statistically significant relationship between annual sales and the locus of control. The findings suggest some support for hypothesis that internally orientated locus of control will generate higher annual sales.

4.6.2 Locus of Control by Changes in Net Profit Margin as Percentage of Sales

Table 4.6.2 Locus of Control by Change in Net Profit Margin as Percentage of Sales

Changes in Net profit margin as percentage of sales	Internal	External
Decline in Net profit margin as percentage of sales	1 (2.9 %)	-
No changes in Net profit margin as percentage of sales	20 (57.1 %)	23 (62.2 %)
Small Increase in Net profit margin as percentage of sales	10 (28.6 %)	10 (27.0 %)
Bigger Increase in Net profit margin as percentage of sales	4 (11.4 %)	4 (10.8 %)

Note: Chi-square = 1.155

D.F = 3

$$P = 0.764$$

From table 4.6.2 (Chi-square value = 1.155, pvalue = 0.764), it would seem that there is no statistically significant relationship between locus of control and net profit margin. Interestingly, there is a high percentage experiencing no changes in net profit margin throughout the entrepreneurship.

4.6.3 Locus of Control by Gross Profit Margin as Percentage of Sales

Table 4.6.3 Locus of Control by Gross Profit Margin as Percentage of Sales

Changes in Gross profit margin as percentage of sales	Internal	External
Major decline in Gross profit margin as percentage of sales	1 (2.9 %)	-
Small decline in Gross profit margin as percentage of sales	-	1 (2.9 %)
No changes in Gross profit margin as percentage of sales	24 (68.6 %)	30 (81.1 %)
Small increase in Gross profit margin as percentage of sales	5 (14.3 %)	4 (10.8 %)
Major increase in Gross profit margin as percentage of sales	5 (14.3 %)	2 (5.4 %)

Note: Chi-square = 4.011

$$D.F = 4$$

$$P = 0.405$$

Table 4.6.3 (Chi-square value = 4.011; pvalue = 0.405) reveals that there is no statistically significant relationship between locus of control and gross profit margin. The results show that internally orientated business tends to have higher gross profit margin. The findings suggest some support for the hypothesis.

4.6.4 Locus of Control by Business Capital Changes

Table 4.6.4 Locus of Control by Business Capital Changes

Changes in business capital	Internal	External
Decline in capital	3 (8.6 %)	3 (8.1 %)
No changes in capital	9 (25.7 %)	9 (24.3 %)
Increase in capital	23 (65.7 %)	25 (67.6 %)

Note: Chi-square = 0.028
D.F = 2
P = 0.986

Table 4.6.4 (Chi-square value = 0.028; pvalue = 0.986) summarizes the responses across the locus of control and capital changes. It would seem that there is no statistically significant relationship between locus of control and capital changes. The majority of the respondents have increased their capital throughout the years of entrepreneurship.

4.6.5 Locus of Control by Change in Employment Size

Table 4.6.5 Locus of Control by Change in Employment Size

Changes in No. of Employees	Internal	External
Decline in No. of Employees	-	5 (13.5 %)
No changes in No. of Employees	9 (25.7 %)	11 (29.7 %)
Increase in No. of Employees	26 (74.3 %)	21 (56.8 %)

Note: Chi-square = 5.681
D.F = 2
P = 0.058

Table 4.6.5 (Chi-square value = 5.681; pvalue = 0.058) summarizes the responses of the frequency of number of employee changes. On the basis of

this evidence, it would seem that at the 95% confidence level no statistically relationship exists between locus of control and the frequency of changes in number of employees. Notably, 74.3% of the respondents indicated increases in employees are internally orientated compare to 56.8% externally orientated. It is also noted that 13.5% of the respondents whom indicated decline in number of employees are externally orientated. The findings suggest some support for the hypothesis.

4.6.6 Comparison of Means and Standard Deviation

Table 4.6.6 Mean and Standard Deviation of Initial and Current Process of Entrepreneurship

	Initial		Current	
	Mean	Std Dev.	Mean	Std Dev.
Sales	1.92	1.62	3.63	2.34
Net Profit Margin	3.56	1.41	4.44	1.25
Gross Profit Margin	4.14	1.46	4.89	1.23
No. of Employees	1.69	0.96	2.83	1.70
Capital	2.29	1.43	3.93	2.10

Table 4.6.6 illustrates the mean value and standard deviation of the performance measures of entrepreneurs. The performance measures include the amount of capital invested in business, the employment size, annual sales, net profit and gross profit.

The performance of the entrepreneurs improves with the increase in the mean value of the performance indicators. The tabulation shows that mean value for all performance indicators have increased from initial process of entrepreneurship to current situation of entrepreneurship of the respondents.

4.7 The Relationship between Locus of Control and Demographic Variable

Analysis was conducted using cross tabulation method between locus of control and independent variables. The following independent variables were considered.

- (i) Age
- (ii) Highest Education Qualification
- (iii) Non-entrepreneurial working experience

The significance of the relationship is determined using ANOVA test. 95% level of confidence is adopted in determining the significance of the analysis varians. The results show that only non-entrepreneurial working experience is significantly related to locus of control.

Table 4.7.1: Cross tabulation between Locus of Control and Age

	24 yrs & below	25 yrs to 29 yrs	30 yrs to 34 yrs	35 yrs to 39 yrs	40 yrs to 44 yrs	45 yrs to 49 yrs	50 yrs & above
Internal	2(50%)	2 (40%)	6 (54%)	12(55%)	7(50%)	1(12%)	5 (62%)
External	2(50%)	3 (60%)	5 (46%)	10(45%)	7(50%)	7(88%)	3 (38%)

ANOVA test

F = 0.882

Significant value = 0.513

The ANOVA test indicates that there is no significant relationship between the age and locus of control.

Table 4.7.2: Cross tabulation between Locus of Control and Educational Qualification

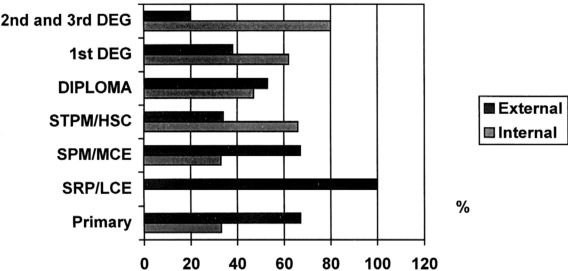
	Primary	SRP/LCE	SPM/MCE	STPM/ HSC	Diploma	Bachelor Degree	Master/ Ph.D
Internal	1(33%)	0 (0%)	5 (33%)	2 (66%)	7(47%)	16(62%)	4(80%)
External	2(67%)	5 (100%)	10 (67%)	1 (34%)	8(53%)	10(38%)	1(20%)

ANOVA test

F = 1.857

Significant value = 0.102

Figure 4.7.2 Educational Qualification & Locus of control



In the 95% confidence level ANOVA test, even though the significant value is above 0.05 but there is a pattern in the relationship between locus of control and education qualification.

The non-graduates respondents are externally orientated while the Bachelor's degree and higher education qualification respondents are more internally orientated.

Table 4.7.3: Years of Non-Entrepreneurship by Locus of Control

	No-working Experience	2 yrs & less	3 yrs to 5 yrs	6 yrs to 10 yrs	11 yrs to 15yrs	16 yrs to 20yrs	21yrs & above
Internal	2 (20%)	1(14%)	10(42%)	12(63%)	6(86%)	2(100%)	2(67%)
External	8 (80%)	6(86%)	14(58%)	7(37%)	1(14%)	0 (0%)	1(33%)

ANOVA test

F = 2.854

Significant value = 0.016

The ANOVA test result on the years of non-entrepreneurial working experience with locus of control provides evidence that there is statistical relationship between non-entrepreneurial working experiences with locus of control.

The longer the non-entrepreneurial working experience, the more internally orientated believe meanwhile lesser non-entrepreneurial working experience such as 5 years and below are more externally orientated.

4.8 Crosstabulation between Educational Qualification and Years of Entrepreneurship

Crosstabulation between independent variable education qualification and years of entrepreneurship is conducted to determine the distribution of highly educated respondents is related to years of entrepreneurship.

Table 4.8: Educational Qualification by Years of Entrepreneurship

	4 yrs and less	5 to 9 years	10 to 14 years	15 to 19 years	20 to 24 years	25 to 29 years	30yrs & above
UPSR		2			1		
LCE/SRP/ PMR		1			4		
MCE/SPM	4	5	3	1	1	1	
HSC/STPM	1	1					1
DIPLOMA	7	6	1		1		
BACHELOR DEGREE	16	6	3		1		
MASTER'S /Ph.D	1	2	1				1

It should be noticed in the above table that majority of the graduates are within the category of the 4 and less years of entrepreneurship.